



Water Infrastructure Finance Authority of Arizona

## NEWS RELEASE

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### **WIFA Chairman Decries Congressional Cut in Water Infrastructure Funds for Arizona**

PHOENIX – Water Infrastructure Finance Authority of Arizona (WIFA) Chairman Steve Owens today expressed his great concern about the recent action by the U.S. Congress to sharply reduce federal funding for clean water infrastructure projects in Arizona. WIFA, the state revolving fund authority, provides low-interest loans to communities for water infrastructure projects. The congressional action will result in a cut of more than 19 percent in the funding that WIFA receives from the federal government to support its loan program.

The federal omnibus appropriations bill for 2005 recently passed by Congress significantly reduces the capitalization grants provided to states under the Clean Water State Revolving Fund (CWSRF). For the past several years, Congress has appropriated \$1.35 billion for the CWSRF programs nationwide. Under that funding level, Arizona had received a capitalization grant totaling around \$9.1 million each year.

For the federal fiscal year (FY) 2005, however, Congress slashed several hundred million dollars from the funding for the CWSRF, reducing it to \$1.09 billion. This cut means that Arizona will receive funding of just \$7.4 million from the CWSRF, a reduction of more than 19 percent or \$1.75 million for FY 2005.

"This drastic and short-sighted funding cut by Congress will hinder WIFA's ability to finance much-needed water infrastructure projects in Arizona," Owens said. "With Arizona grappling with so many serious water infrastructure issues, this couldn't have come at a worse time."

"Arizona is the second-fastest growing state in the country, and there already is tremendous stress on our infrastructure," added WIFA Executive Director Jay Spector.

WIFA conservatively estimates that Arizona's federal capitalization grant should be around \$40 million per year based on the state's infrastructure needs and rapid population growth. The U.S. Environmental Protection Agency's Clean Water Needs Survey, which is conducted every four years in all 50 states, estimated that Arizona will have over \$6.3 billion in clean water needs over the next 20 years.

"Arizona already was being short-changed by Congress," Owens said. "Now we will have even less money to help Arizona communities deal with their water infrastructure needs."